

**Los Angeles County  
Board of Supervisors**

**Gloria Molina**  
First District

**Mark Ridlev-Thomas**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

November 16, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**John F. Schunhoff, Ph.D.**  
Interim Director

**Gail V. Anderson, Jr., M.D.**  
Interim Chief Medical Officer

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT  
(ALL DISTRICTS)  
(3 VOTES)**

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

**SUBJECT**

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To improve health  
through leadership,  
service and education.*

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at County facilities. The compromise offers of settlement referenced below are not within the Director's authority to accept.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

- (1) Account Number LAC+USC MC – Various \$4,000
- (2) Account Number H-UCLA MC – Various \$4,000
- (3) Account Number H-UCLA MC – Various \$5,000
- (4) Account Number H-UCLA MC – Various \$5,000
- (5) Account Number LAC+USC MC – Various \$5,000
- (6) Account Number H-UCLA MC – 9573881 \$7,500
- (7) Account Number LAC+USC MC – Various \$8,011
- (8) Account Number LAC+USC MC – Various \$10,750
- (9) Account Number H-UCLA MC – 8640311 \$33,153



Total All Accounts: \$82,414

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (9) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

This will expedite the County's recovery of revenue totaling approximately \$82,414.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts.

The Honorable Board of Supervisors

11/16/2010

Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.

Interim Director

JFS:lg

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$26,471	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$26,471	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$4,000	<b>% Of Charges</b>	15 %
<b>Amount to be Written Off</b>	\$22,471	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$26,471 for medical services rendered. The patient's Medi-Cal application is pending. If Medi-Cal is later approved, DHS will bill Medi-Cal and refund the settlement amount to the third party payor. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33 %
<b>Lawyer's Cost</b>	\$2,780	\$2,780	18 %
<b>LAC+USC Medical Center *</b>	\$26,471	\$4,000	27 %
<b>Other Lien Holders *</b>	\$5,046	\$1,610	11 %
<b>Patient</b>	-	\$1,610	11 %
<b>Total</b>	-	\$15,000	100 %

\* Lien holders are receiving 38% of the settlement (27% to LAC+USC Medical Center and 11% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges (Account Balance)</b>	\$193,969.22	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$193,969.22	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$4,000	<b>% Of Charges</b>	2 %
<b>Amount to be Written Off</b>	\$189,969.22	<b>Facility</b>	H-UCLA Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$193,969.22 for medical services rendered. The patient has no assets and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$4,500	\$4,500	30 %
<b>Lawyer's Cost</b>	\$250	\$250	2 %
<b>H-UCLA Medical Center *</b>	\$193,969.22	\$4,000	27 %
<b>Other Lien Holders *</b>	\$401,819.70	\$5,795.79	38 %
<b>Patient</b>	-	\$454.21	3 %
<b>Total</b>	-	\$15,000	100 %

\* Lien holders are receiving 65% of the settlement (27% to H-UCLA Medical Center and 38% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

### DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$197,986	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$197,986	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$5,000	<b>% Of Charges</b>	3 %
<b>Amount to be Written Off</b>	\$192,986	<b>Facility</b>	H-UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$197,986 for medical services rendered. The patient does not qualify for Medi-Cal and has ATP with no liability. The patient qualifies for Section 1011. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33 %
<b>Lawyer's Cost</b>	\$736.83	\$736.83	5 %
<b>H-UCLA Medical Center *</b>	\$197,986	\$5,000	33 %
<b>Other Lien Holders *</b>	\$4,600	\$500	4 %
<b>Patient</b>	-	\$3,763.17	25 %
<b>Total</b>	-	\$15,000	100 %

\* Lien holders are receiving 37% of the settlement (33% to H-UCLA Medical Center and 4% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$77,424	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$77,424	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$5,000	<b>% Of Charges</b>	6 %
<b>Amount to be Written Off</b>	\$72,424	<b>Facility</b>	H-UCLA Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$77,424 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. No other coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$6,000	\$6,000	40 %
<b>Lawyer's Cost</b>	\$119	\$119	1 %
<b>H-UCLA Medical Center *</b>	\$77,424	\$5,000	33 %
<b>Other Lien Holders *</b>	\$1,364.75	\$1,364.75	9 %
<b>Patient</b>	-	\$2,516.25	17 %
<b>Total</b>	-	\$15,000	100 %

\* Lien holders are receiving 42% of the settlement (33% to H-UCLA Medical Center and 9% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$46,174	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$46,174	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$5,000	<b>% Of Charges</b>	11 %
<b>Amount to be Written Off</b>	\$41,174	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$46,174 for medical services rendered. The patient is not eligible for Medi-Cal and has ATP with no liability. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33 %
<b>Lawyer's Cost</b>	\$300	\$300	2 %
<b>LAC+USC Medical Center *</b>	\$46,174	\$5,000	33 %
<b>Other Lien Holders *</b>	\$2,698	\$2,698	18 %
<b>Patient</b>	-	\$2,002	14 %
<b>Total</b>	-	\$15,000	100 %

\* Lien holders are receiving 51% of the settlement (33% to LAC+USC Medical Center and 18% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$47,765	<b>Account Number</b>	9573881
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$47,765	<b>Date of Service</b>	12/19/08 – 12/24/08
<b>Compromise Amount Offered</b>	\$7,500	<b>% Of Charges</b>	16 %
<b>Amount to be Written Off</b>	\$40,265	<b>Facility</b>	H-UCLA Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$47,765 for medical services rendered. The patient was not eligible for Medi-Cal and has ATP with no liability. No other coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33 %
<b>Lawyer's Cost</b>	\$113.35	\$113.35	1 %
<b>H-UCLA Medical Center *</b>	\$47,765	\$7,500	50 %
<b>Other Lien Holders *</b>	\$1,719.50	\$147	1 %
<b>Patient</b>	-	\$2,239.65	15 %
<b>Total</b>	-	\$15,000	100 %

\* Lien holders are receiving 51% of the settlement (50% to H-UCLA Medical Center and 1% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$63,557	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$63,557	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$8,011	<b>% Of Charges</b>	13 %
<b>Amount to be Written Off</b>	\$55,546	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$63,557 for medical services rendered. The patient was not eligible for Medi-Cal and has ATP with no liability. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$8,333	\$8,333	33 %
<b>Lawyer's Cost</b>	\$645	\$645	3 %
<b>LAC+USC Medical Center</b>	\$63,557	\$8,011	32 %
<b>Other Lien Holders</b>	-	-	-
<b>Patient</b>	-	\$8,011	32 %
<b>Total</b>	-	\$25,000	100 %

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$38,592	<b>Account Number</b>	Various
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient & Outpatient
<b>Balance Due</b>	\$38,592	<b>Date of Service</b>	Various
<b>Compromise Amount Offered</b>	\$10,750	<b>% Of Charges</b>	28 %
<b>Amount to be Written Off</b>	\$27,842	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$38,592 for medical services rendered. The patient was not eligible for Medi-Cal and has ATP with no liability. The patient qualifies for Section 1011. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$35,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$14,000	\$14,000	40 %
<b>Lawyer's Cost</b>	\$637	\$637	2 %
<b>LAC+USC Medical Center *</b>	\$38,592	\$10,750	31 %
<b>Other Lien Holders *</b>	\$8,737	\$2,152	6 %
<b>Patient</b>	-	\$7,461	21 %
<b>Total</b>	-	\$35,000	100 %

\* Lien holders are receiving 37% of the settlement (31% to LAC+USC Medical Center and 6% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

### DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9  
DATE: NOVEMBER 16, 2010

<b>Total Gross Charges</b>	\$88,337	<b>Account Number</b>	8640311
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$88,337	<b>Date of Service</b>	10/3/07 – 10/12/07
<b>Compromise Amount Offered</b>	\$33,152.65	<b>% Of Charges</b>	38 %
<b>Amount to be Written Off</b>	\$55,184.35	<b>Facility</b>	H-UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$88,337 for medical services rendered. The patient was not eligible for Medi-Cal and has ATP with no liability. No other coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$125,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$50,000	\$50,000	40 %
<b>Lawyer's Cost</b>	\$9,694.70	\$9,694.70	7 %
<b>H-UCLA Medical Center *</b>	\$88,337	\$33,152.65	27 %
<b>Other Lien Holders *</b>	\$6,832.70	\$2,564.28	2 %
<b>Patient</b>	-	\$29,588.37	24 %
<b>Total</b>	-	\$125,000	100 %

\* Lien holders are receiving 29% of the settlement (27% to H-UCLA Medical Center and 2% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders are receiving 29% of the settlement with the patient receiving the remaining 24% of the settlement.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.